

Agenda

Item #3



STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS
AND ELECTION PRACTICES
135 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0135

To: Commission Members and Counsel

From: Jonathan Wayne, Executive Director

Date: February 4, 2008

Re: Recommended Investigation of Debra J. Reagan

Debra J. Reagan was a candidate for the State House of Representatives in the 2006 elections. Her daughter, Dianna L. Hartford, was her campaign treasurer. She received \$500 in seed money contributions and \$4,874 in Maine Clean Election Act funds, and reported making \$856 in campaign expenditures, leaving her with a post-campaign balance of \$4,518.

After the election, Ms. Reagan failed to respond to notices from the Commission staff requesting the return of \$4,518 in unspent campaign funds, including a telephone conversation with former Commission employee Nathaniel Brown on December 20, 2006. At its meeting on February 14, 2007, the Commission referred her to the State Attorney General for collection of the funds. At that meeting, the staff did not recommend any civil penalties for the failure to return the funds because it was primarily focused on recovering the money for the State of Maine.

Unsuccessful Payment Plan

Subsequently, in July 2007, the staff decided to recommend that the Commission assess civil penalties against the candidate and her treasurer-daughter for failure to return the funds. The written notice of recommended penalties caused the candidate's daughter, Ms. Hartford, to telephone me on July 26, 2007 and inquire about a payment plan. That day, I sent the candidate and treasurer an e-mail setting forth some terms that would be acceptable. I suggested 12 payments to be made by the 15th day of the month. The e-mail clearly stated that the Commission needed to receive a written payment plan that was signed by the candidate or treasurer. I stated that the staff would suspend recommending any penalty as long as payments were made consistently.

The candidate replied by e-mail on July 27, 2007, stating that "I have set up automatic monthly payments of \$367.00 to start August 02, 2007." Unfortunately, both of our e-mails contained a typo concerning the amount of the monthly payments, and I clarified in an August 22, 2007 e-mail that the monthly amount should be \$376 per month.

In August 2007, Ms. Reagan began making monthly payments of \$376 per month, but she has failed to make three payments:

- The Commission received payments of \$376 on August 6, September 10, and November 13, 2007.
- The Commission received no payment for October 2007.
- The Commission received a payment of \$376 for December 2007 which was returned for insufficient funds.
- The Commission has received no payment for January 2007.

Also, we have never received a written payment plan signed by the candidate or treasurer.

Staff Recommendation

Taking into consideration Ms. Reagan's payments from last year, the current debt owed is \$3,390. Because the candidate has not provided a written payment plan and has failed to make three payments (October 2007, December 2007, and January 2008), the Commission staff no longer supports accepting a payment plan by the candidate, and wishes to propose punitive action against the candidate and treasurer. We believe it is likely that the candidate spent the \$4,518 for purposes unrelated to her campaign. Two other 2006 candidates, Thomas J. Bossie and Arthur H. Clement, were assessed penalties totaling \$2,000 and \$1,750 (respectively) for misusing Maine Clean Election Act funds and failing to return unspent campaign funds to the Commission. We believe Ms. Reagan's actions are more serious, because Bossie and Clement returned the unspent funds under pressure from the Commission and Ms. Reagan has not. She is the only Maine Clean Election Act candidate from 2006 who has failed to return unspent campaign funds.

For the February 11, 2007 meeting, we request authority to subpoena Ms. Reagan's bank records to determine how she spent the Maine Clean Election Act funds she received from the Commission. We intend to propose taking punitive action against Ms. Reagan and Ms. Hartford at your March or April meetings. In the meantime, we intend to request payment of the entire \$3,390 from the candidate and treasurer, by credit card if necessary.

011100481
12/28/2007
6533005370

This is a LEGAL COPY of
your check. You can use it
the same way you would
use the original check.

RETURN REASON-A
NOT SUFFICIENT
FUNDS

0560073873 12/20/2007
000001370775814

THIS IS WATERMARKED PAPER - DO NOT ACCEPT WITHOUT NOTING WATERMARK. HOLD TO LIGHT TO VERIFY WATERMARK.	
Account: CAN 1084	\$376.00
DEBRA J REAGAN 11 BENNETT ST SANDFORD, ME 04856	Please Direct Any Questions To (800) 278-4300 ONLINE BANKING - BILL PAYMENT
BANK OF AMERICA, N.A.	
THREE HUNDRED SEVENTY SIX AND 00/100	
To The Order Of	MAINE ETHNICS COMMISSION 135 STATE HOUSE STA AUGUSTA, ME 04333 0135
VOID AFTER 180 DAYS Signature On File This check has been authorized by your depositor	
DOLLARS \$*****376.00	

Wayne, Jonathan

From: debbyp@metrocast.net
Sent: Friday, July 27, 2007 10:43 AM
To: Wayne, Jonathan
Cc: debbyp@metrocast.net; dianna_hartford@yahoo.com; Gardiner, Phyllis; Lavin, Paul
Subject: Re: Request for Written Payment Plan

Thank you Jonathan.

I have set up automatic monthly payments of \$367.00 to start August 02, 2007. It takes about 4 days for my bank to process and send the check, so the 15th of each month due date is appreciated.

Please alert me as soon as possible if you have not received the first payment by August 10th, as sometimes the first payment of a new payee setup may take a few extra days to be processed.

Thank you.

Sincerely,

Debby Reagan

11 Bennett St.

Sanford, ME 04073

(207)324-7510

> Earlier today, I discussed with Dianna Hartford what would be an
> acceptable payment plan of \$4,512 in unspent campaign funds owed by
> the Reagan campaign. This e-mail is to explain the terms that would
> be acceptable to the Commission.
>
> The Commission requires a written payment plan that is signed by Ms.
> Reagan or Ms. Hartford. It must be signed, not in e-mail form. We
> require monthly payments of \$362 (one twelfth of the owed amount)
> received by the Commission on a specified date each month. Ms.
> Hartford has stated that the campaign prefers the 15th of the month.
> That is acceptable to us.
>
> As long as monthly payments of \$376 are made on time, the Commission
> staff will suspend the recommended civil penalty of \$2,500. If the
> campaign is more than 5 days late on more than two occasions, the
> agreement will be void and the staff will recommend the \$2,500 penalty
> against the candidate and the treasurer and will request that the
> Attorney General's Office commence a civil lawsuit to collect both the
> unpaid amount and the \$2,500 penalty.
>
> Please send payments to:
>
> Maine Ethics Commission
> 135 State House Station
> Augusta, ME 04333
>
> If possible, please include "CAN 1684" or "Reagan penalty" in the memo
> or description portion of the payment checks. That is not absolutely
> necessary, however, because the staff will know what each monthly
> payment of \$362 is for.
>
> I have copied Assistant Attorney General Phyllis Gardiner and
> Assistant Director Paul Lavin on the e-mail so that they are aware of
> this development.
>
>
> cc: candidate file
>
>
>
>
>
>

Name: Ms. Debra J. Reagan
District #: 143
2006 House

Home Phone: (207)432-2199
Work Phone: (207)
Cell #:
E-Mail: debbyp@metrocast.net
Fax#: (207)

2006 Vendor: n/a yes ☒ no
If no, 2006 Vendor Form Received: yes ☒ no

Notes

12-20-06 phoned & spoke to Debra & returned
friends NB

DEBRA J. REAGAN

02/05/2008

CANDIDATE'S FULL NAME

Date Submitted

**SCHEDULE F
SUMMARY SECTION
(MAINE CLEAN ELECTION ACT CANDIDATES)**

CASH ACTIVITY		
	TOTAL FOR THIS PERIOD	TOTAL FOR CAMPAIGN
1. CASH BALANCE FROM LAST REPORT (if any)	4,518.00	
2. SEED MONEY CONTRIBUTIONS (Schedule A)	+ 0.00	5,374.00
3. MAINE CLEAN ELECTION ACT Payments (Schedule A)	+ 0.00	+ 0.00
4. SALE OF CAMPAIGN PROPERTY (Schedule E, Part II)	+ 0.00	+ 0.00
5. OTHER CASH RECEIPTS (interest, etc.)	+ 0.00	+ 0.00
6. MINUS EXPENDITURES (Schedule B)	- 0.00	- 856.00
7. CASH BALANCE AT CLOSE OF PERIOD (lines 1 + 2 + 3 + 4 + 5 - 6)	= 4,518.00	

OTHER ACTIVITY THIS REPORTING PERIOD		
8. IN-KIND SEED MONEY CONTRIBUTIONS (Schedule A-1)	0.00	0.00
9. TOTAL UNPAID DEBTS AT CLOSE OF PERIOD	0.00	